

**2003 Army Acquisition Workforce
Conference**

Shaping the Future Workforce:

Overview of Human Capital Strategic Planning



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Outline

- **Human Capital Strategic Planning Defined**
- **Why We Need it...Now More Than Ever**
- **Approach for DoD AT&L Workforce**
 - Policy, Implementation and Initial Results
 - Maturing the Capability
 - Plans for Current Cycle (2003)
- **The President's Expectations**
- **Evidence of Progress**
- **Final Thoughts**



Human Capital Strategic Planning

- One component of organization's strategic plan
- Focuses on identifying an aligned set of human resource management policies, practices, programs, processes and systems **needed to accomplish the organization's strategic intent**
- Comprised of at least 4 separate, closely related processes:
 - **Cultural Shaping**—focus on organizational values
 - **Organizational Design**—focus on overall structure of organization
 - **Workforce Planning**—focus on workforce characteristics
 - **Performance Planning**—focus on behaviors

It's Strategically Planning for that Future Workforce to Meet the Needs of Your "Business"!



Why We Need It...

- **DoD Transformation!**

“Transformation is at the heart of this new strategic approach. The Department’s leadership recognizes that continuing “business as usual” within the Department is not a viable option given the new strategic era and the internal and external challenges facing the U.S. military. Without change, the current defense program will only become more expensive to maintain over time, and it will forfeit many of the opportunities available to the United States today. Without transformation, the U.S. military will not be prepared to meet emerging challenges. The Department is committed to undertaking a sustained process of transformation - based on clear goals - and strengthening the spirit of innovation in its people, while remaining prepared to deal with extant threats. “*



People are the Enablers of Transformation*

- “Effective strategic **human capital management approaches** serve as the **cornerstone** of any serious change management initiative”
- “Requires long-term commitment to valuing human capital as a **strategic**

**Strategic Human Capital Management
-- Tops GAO's List of High Risk Areas
in 2001 and again in 2003!**

* Source: Transformation in the Government Workforce, 2003 and Beyond, presented by David M. Walker, Comptroller General, to the American Society for Public Administration, January 29, 2003



But More Compelling Reasons...

- **Workforce “out of shape” from effects of budget cuts, downsizing and outsourcing**
 - Organizations have been mostly reactive, lacking strategic alignment of workforce with future business direction
 - Skill imbalances and increased workload on remaining employees...lowers morale...the downward spiral effect!
- **It makes “good business” sense!**
 - Organizations need to become proactive --need to know where to take the budget cuts and downsizing
 - Can justify resources with strong business cases
- **Workforce is aging -- the “bath-tub” effect**
 - Baby-Boomers starting to retire & not enough people to fill-in
 - Competition with Private Sector for the quality employees
 - **Opportunity to re-shape the workforce!**



A Government-Wide Challenge

“In most agencies, human resources planning is weak. Workforce deficiencies will be exacerbated by the upcoming retirement wave of the baby-boom generation. Approximately **71% of the government’s current permanent employees will be eligible for either regular or early retirement by 2010 and then 40% of those employees are expected to retire. Without proper planning, the skill mix of the federal workforce will not reflect tomorrow’s changing missions.”**



Approach for the DoD-wide AT&L Workforce

- **USD(AT&L) and USD(P&R) partnered in the Workforce 2005 Task Force**
 - Final Report cites #1 recommendation---to develop and implement comprehensive, needs-based human resource performance plans for the civilian acquisition workforce, i.e. Human Capital Strategic Plans
 - 30 additional recommendations in the areas of recruiting, retention, career development and quality of life
- **Results of Human Capital Strategic Planning can drive the planning and implementation of the other workforce initiatives---Need to do it first!**
- **USD(AT&L) issued Policy Memo for Civilian DoD-wide AT&L workforce--Oct 02**



Policy Highlights

- **Oct 02 Policy establishes *annual Human Capital Strategic Planning process for Civilian DoD AT&L Workforce***
 - Applies to Army, Navy, Air Force, DLA, DCAA, DCMA, and MDA
 - Other interested organizations may participate
- **Interim Progress Review in March --SAE's brief USD(AT&L) and USD(P&R)**
- **Final Human Capital Strategic Plans end of May**
- **Plans are to become annexes to the *DoD Civilian Human Resources Strategic Plan***
- **Plan results are to be reflected in the *PB-23* workforce budget display submissions**

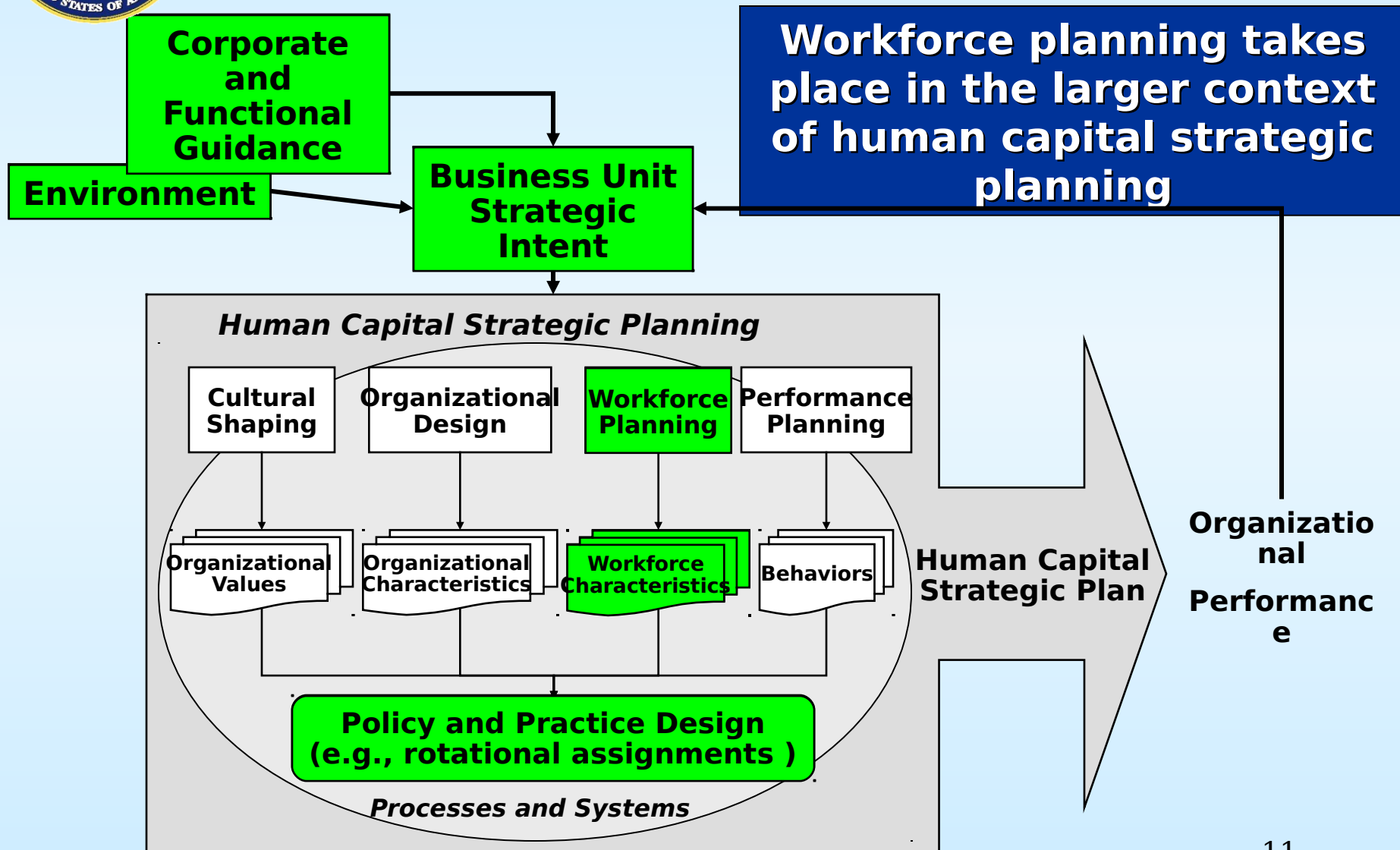


DoD-wide AT&L Workforce Implementation

- **RAND assisting AET&CD in institutionalizing Human Capital Strategic Planning**
 - Developed Human Capital Strategic Planning Framework as approach for implementation
 - Conducting analysis of plan submissions to assess progress or maturity and provide feedback to Components
 - Assisting some Component “business units” in linking workforce characteristics to strategic intent
 - Developing OSD action plan to achieve a mature Human Capital Strategic Planning process
- **Tackling **Workforce Planning** as the first step in the Framework!**

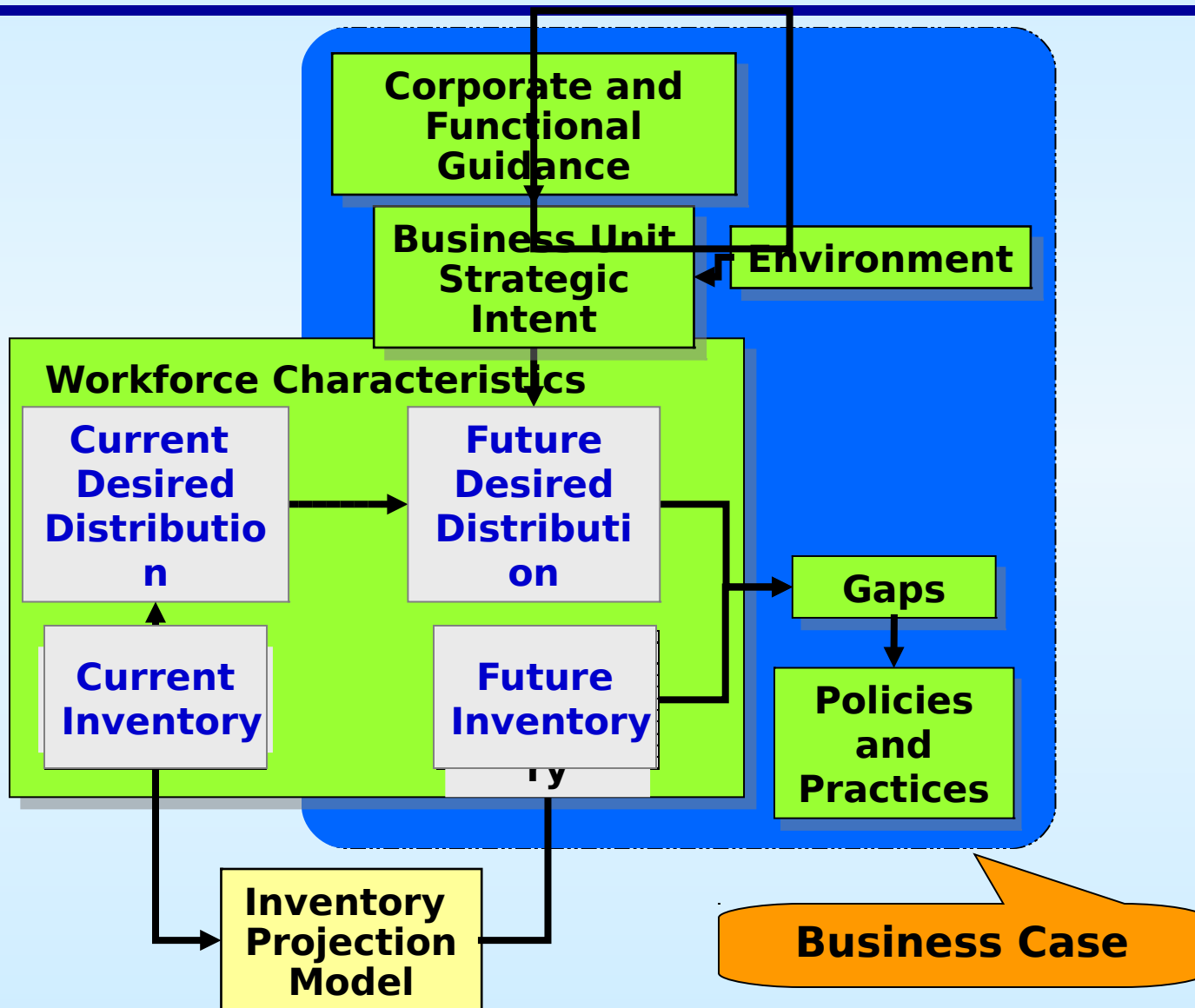


Human Capital Strategic Planning Framework





Workforce Planning Process





Our Progress to Date...

- Completed two cycles of Human Capital Strategic Planning--with **focus on Workforce Planning**
- Submissions from **Army**, **Navy**, **Air Force**, **DCAA**, **DCMA**, **DLA** and **MDA**
- Bottom-line: Components are in **early stages** of maturity in workforce planning
 - Difficulty in making business cases for policy and practices
 - Difficulty in projecting future desired distribution
- Some key lessons learned:
 - Need involvement of the “business units”
 - Need active executive participation
 - Plan on several years to mature the process



What's Needed for Mature Capability?

- Comprehensive **strategic planning process** as context for human capital strategic planning
- Effective **workforce planning**, which requires:
 - Databases that contain relevant [workforce information](#)
 - [Models](#) to estimate effects of human resource management policies and practices on inventory projections and to derive future workforce requirements
 - [Human capital](#) in the form of executives, functional staff, and human resource management staff with knowledge and skills needed to conduct workforce planning
- Need expanded resources to accomplish **cultural shaping, organizational design and performance planning** --to ultimately achieve mature Human Capital Strategic Planning



Executive Engagement is Critical

**Corporate Leaders
Business Unit Leaders
Functional Leaders**

- **Institute workforce planning as an integral part of organizational strategic planning**
- **Provide clear guidance**
- **Ensure the right participants**
- **Lead the effort—physically and intellectually**
- **Focus on the business case**
- **Monitor results**
- **Act**



The 2003 Cycle

- **Specific focus on two career fields of interest to OSD to validate/refine initiatives and direction**
 - **Systems Engineers**
 - **Acquisition Logistics** (a.k.a. Life Cycle Logistics)
- **Enhanced corporate and functional guidance**
 - Functional Advisors' outlook on career fields (SE's and Log)
 - USD(AT&L) Balanced Scorecard
 - SECDEF Legislative Priorities (Top Ten)
- **AET&CD to provide **more assistance** throughout the process with workshops and guidance as needed**

Striving for Meaningful Results--Not a Paper Drill!



The President's Near-Term Expectations *

- Human capital **strategies will be linked** to organizational mission, vision, core values, goals and objectives
- Agencies will **use strategic workforce planning and flexible tools** to recruit, retrain, and reward employees and develop a high-performing workforce...
- Agencies will **determine their “core competencies”** and decide whether to build internal capacity, or contract for services from the private sector...
- The **statutory framework will be in place** to make it easier to attract and retain the right people, in the right places, at the right time



The President's Long-Term Expectations*

- Citizens will recognize **improved service** and performance and citizen satisfaction will increase
- Agencies will build, sustain, and effectively deploy the **skilled, knowledgeable, diverse, and high-performing workforce** needed to meet the current and emerging needs of government and its citizens
- The **workforce will adapt quickly** in size, composition, and competencies **to accommodate changes** in mission, technology, and labor markets
- Government **employee satisfaction will increase**



Some Movement Toward Those Expectations...

- **Personnel reform** beginning to taking hold (e.g. Homeland Security Act; proposed legislation)
- Strategic Human Capital Management currently **tops GAO's list of highest risk areas**
- Agencies must now report annual progress on *Strategic Management of Human Capital* in an **"Executive Branch Management Scorecard"**

**Increasing attention on Human
Capital throughout the Public
Sector !**



Final Thoughts...

- **GAO pointing other agencies to DoD AT&L for lessons-learned--*we're leading the pack!***

“...DoD’s experience highlights the need to provide the right foundation for planning. This includes obtaining the appropriate data collection and modeling tools, planning expertise, and management buy-in. More important, DoD’s experience has shown that strategic workforce planning is not an easy task and can take several years to accomplish. This makes it especially important for agencies to sustain strong leadership and support for the planning effort and be able to learn from each

other’s experiences.”*

Source: GAO Report to Senate Committee on Governmental Affairs:
“Acquisition Workforce: Status of Agency Efforts to Address Future
Needs”, December 2002



Final Thoughts...

- There is **no proven method** to follow in achieving a robust Human Capital Strategic Planning capability
- It's a **huge cultural change** for public sector, requiring buy-in and participation at every level
- It will most likely take years to reach a planning state that yields optimum results...but **some knowledge** about the workforce needs of the future is **better than none**
- Something to ponder...**If your organization was levied with another workforce reduction, how would it be applied?** Across- the-board cut? ...Or based on some knowledge about what the future workforce should look like?

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Questions?

**If you would like a copy of the presentation,
please provide me your name, email, and
phone....THANK YOU!**



BACK-UP SLIDES



Aging Civilian DoD AT&L Workforce

**Population by Years of Service
As Of September, 2001**

